Safeguards for Indo-Iran pipeline

2344. SHRI PRAMOD MAHAJAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indo-Iran pipeline would route through the troubled regions of Baluchistan; and

(b) if, so what safeguards have been taken by Government to keep the pipeline intact?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) As regards the pipeline route of the Indo-Iran pipeline project, conceptually three alternatives, namely, Northern, Central and Southern routes are being discussed. Each route configuration will be studied in detail with respect to its merits/ demerits during the preparation of the detailed project report. Thereafter, the route configuration would be finalised. The Iran-Pakistan-India pipeline would have to cross Baluchistan in any logical route option.

Adequate safeguards will be built in the project structure to ensure safety and security of supplies to India.

Oil prices in international market

2345. SHRIMATI JAYA BACHCHAN : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the current trends in oil prices in world market; and

(b) how they are likely to affect India?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL) : (a) The trend of prices in international market (past twelve months) and corresponding increase in retail selling prices of sensitive petroleum products are given in Annexed Statement. (*See* below)

(b) With import dependence of crude as high as 76%, the impact of volatile international prices are bound to affect the domestic retail selling prices of petroleum products. While passing on the entire impact of the steep increase in the oil prices to the consumers would result in steep increase in the domestic prices, prolonged non-revision of domestic price would adversely affect the financial position of the OMCs. As such Government have decided to share the burden equitably amongst all stakeholders, viz. Government, Oil Companies and consumers.

Statement

Trend in the international oil prices

	Crude oil (Indian Basket) $/bbl	Petrol $/bbl	Diesel $/bbl	Kerosene $/bbl	LPG $/MT
March 2002	23.31	26.43	23.27	23.65	194.00
2002-03	26.66	30.15	28.93	29.33	280.40
2003-04	27.96	35.03	30.48	31.19	278.45
2004-05	39.22	49.01	46.91	49.50	368.52
Past 12 months					
Feb'05	42.58	53.70	50.09	52.24	369.20
Mar'05	49.27	58.72	59.83	63.74	380.00
Apr'05	49.43	60.23	61.36	69.00	416.80
May'05	47.02	53.37	56.45	61.09	421.80
June'05	52.72	58.38	65.61	66.98	394.80
July'05	55.01	63.43	66.89	67.75	399.80
Aug'05	60.03	72.52	68.09	73.42	403.60
Sept'05	59.74	78.93	71.78	75.70	438.2
Oct'05	56.28	67.91	67.97	71.33	517.0
Nov'05	53.31	59.48	57.69	60.91	547.0
Dec'05	55.05	59.90	60.23	66.99	536.00
Jan'06	60.61	65.42	64.95	72.85	581.00
Feb'06	58.95	64.20	63.33	72.36	625.00
Mar'06 (upto 4/3/06)	60.35	67.52	68.99	73.43	530.00
Average (Apr'05 to 4th Mar'06)	55.71	64.23	64.45	69.32	484.25
Increase in international prices in April'05 to 4th Mar'06	139%	143%	176.9%	193.1%	149.6%
Increase in current retail price over Mar'02.	-	63.8%	83.54%	0.78%	22.58%
(Delhi retail prices considered)					

The current composition of Indian Basket of Crude represents Average of Oman & Dubai for sour grades and Brent (Dated) for sweet grade in the ration of 58.42